

**SPENDING AND GOVERNMENT EFFICIENCY COMMISSION  
FOR THE SYSTEM OF K-12  
PUBLIC EDUCATION (SAGE COMMISSION)  
ASSEMBLY BILL 421**

**THURSDAY, NOVEMBER 3, 2016**

**Department of Education  
700 East Fifth Street  
Board Conference Room  
Carson City, NV**

**And**

**Department of Education  
9890 South Maryland Parkway  
Board Conference Room  
Las Vegas, NV**

**MEMBERS IN ATTENDANCE**

**Las Vegas**

Glenn Christenson, Interim Chairman – Business Representative  
John Guedry – Business Representative  
Kathy Harney – Retired Educator and Business Representative  
Bill Noonan – Business Representative  
Rev. Dr. Marta Poling-Goldenne – Business Representative  
Sylvia Villalva – Retired Educator  
Maria Gatti – Business Representative

**Elko NV**

Matt McCarty – Rural Business Representative

**Staff Present**

Steve Canavero – Superintendent of Public Education, Nevada Department of Education  
Manny Lamarre – Executive Director, Governor's Office of Workforce Innovation  
Gregg Ott – Deputy Attorney General, Office of Attorney General  
Suzanne Richards – Administrative Assistant, Nevada Department of Education

**MEMBERS ABSENT**

Dr. Beverly Mathis – Retired Educator and Business Representative  
Samantha Morris – Business Representative  
Courtney Cardinal – Business Representative

## **I. CALL TO ORDER**

Commissioner Christenson opened the meeting at 8:38 AM

## **II. PUBLIC COMMENT**

Chris Daly-Deputy Executive Director of Government Relation, Nevada State Education Association (NSEA)

Mr. Daly addressed the outsourcing of support personnel and stated that NSEA strongly opposed it. NSEA supports teachers and professionals as well as the support personnel in the districts. School culture plays a major part in the day to day activities within the schools and the support personnel are the people that make up the school culture.

He stated that while the district might be able to save money by contracting with an outsourced company, the workers took wage cuts and also lost benefits that previously were provided by the school districts. Savings realized by the district ended up costing the taxpayers additional fees for food stamps and government funded healthcare by those who were replaced.

He cautioned the Commissioners against moving forward with the recommendation.

Ruben Marillo-President, Nevada State Education Association

Mr. Marillo spoke in support of the Pay for Performance recommendation made by the Guinn Center. He said that salaries should be collectively bargained and that the voice of the associations is necessary. He felt high stakes testing should not be solely how a teacher is paid. He closed by suggesting that districts look for other alternatives to Pay for Performance and that it should be a bargained issue.

## **III. OPENING REMARKS**

Commissioner Christenson noted that Dale Erquiaga has left the commission and commended him on his leadership.

He pointed out that there were three primary topics that would be discussed but there were several recommendations within those topics.

He outlined the remaining meetings and when the final report is due to the Governor.

He finished by asking for a roll call of members.

## **IV. APPROVAL OF MINUTES-AUGUST 11, 2016 AND AGENDA**

Commissioner Guedry noted a change to the August minutes on page 10, sect 4a. He asked that the sentence be changed to read, "Charter schools which maintained a three star rating or higher would make them eligible for a capital budget from the state that is a smaller portion not to exceed \$350.00 per student which is roughly \$950.00 less than what CCSD receives per student." The change was noted and was made to the minutes.

The minutes were accepted with the changes suggested

Commissioner Christenson asked for acceptance of the agenda as rewritten. It was passed.

## **V. WORK SESSION AND DISCUSSION OF THE WORK PLAN**

### **A. ITEMS SUGGESTED BY HOUSTON INDEPENDENT SCHOOL DISTRICT'S (HISD)**

Commissioner Christenson turned the discussion over to Commissioner Guedry.

Commissioner Guedry asked that Mr. Daly return to the podium and provide clarification of possible special circumstances with regards to the two schools named in the article. Mr. Daly responded he was not aware if there were special circumstances regarding these two schools. Then Commissioner Guedry emphasized the article was not referencing the outsourcing of “jobs” in the presentation that was given in May by the HISD, but that HISD presented a “model” which outsourced the “management” of essential services.

Commissioner Harney stated that best practices don't always go as planned and favored using a more global approach towards better efficiency in some areas.

Commissioner Guedry countered that it would save time, money and effort if the proposed recommendation, which has a proven record, is made.

Commissioner Christenson confirmed that that the districts would follow the HISD model, and not necessarily HISD's implementation of the program.

Commissioner Harney suggested that there should be more data points to identify inefficiencies, and that there should be more participation from the existing people in the positions.

Commissioner Guedry pointed out a number of inefficiencies which were obvious problems cited in the reports. He emphasized bringing in outside consultants and using the model that was originally used in the HISD evaluation.

Commissioner Harney suggested the recommendation include internal and external examinations for efficiencies in order to promote school community. Commissioner Guedry agreed with her but stressed the need for several options to be reviewed.

Commissioner Guedry asked for comments from Commissioner McCarty on behalf of the rural districts. Commissioner McCarty was in favor of the recommendation.

Commissioner Noonan noted that most all businesses use this idea in operations of the business and that he was in favor of the recommendation.

After several wording proposals Commissioner Guedry emphasized that we present both options. The first being recommending to the legislature that a consulting group be hired to identify areas where lower costs can be achieved, where service is improved, and there is increased accountability in the areas of non-educational related functions. Second, the legislature should review a model similar to HISD model where the management of those services was outsourced. The consultants could also ask internally as how the proposed objectives might be achieved.

Commissioner Harney cautioned against using a specific organization in the recommendation.

## **V. WORK SESSION AND DISCUSSION OF THE WORK PLAN (CONTINUED)**

Commissioner McCarty pointed out that Elko County has tried a similar program and it was decided that for that particular rural area, efficiencies were not evident.

After more discussion regarding the wording of the recommendation, Commissioner Christenson stated that a rewrite of the recommendation would be made and presented again later in the day.

## **B. ITEM SUGGESTED FROM THE GUINN CENTER**

### **RECOMMENDATIONS FROM PAPER 2**

**Recommendation #1 addressed the exploration of fiscal impact of a statewide salary schedule.**

**“The SAGE Commission could recommend that the Nevada Legislature commission a study in 2017 to explore the design and fiscal impact of establishing a statewide salary schedule for licensed educational professionals, as well as staff and administrators.”**

Commissioner Harney asked for a motion regarding the recommendation to permit discussion. Bill Noonan seconded the motion.

Commissioner Guedry began the discussion with his interpretation and a summary regarding the recommendation. He said that he could see two distinct patterns. The first being that the state should continue with a performance based program. Then secondly, that there should be consistency on how the program is being applied throughout the state.

He then suggested the state work with districts to develop criteria for measuring performance goals, and the districts use incentive pay to achieve those results.

Finally, he would like to see the state weigh in on these objectives and agree on how the performance measures will be rewarded by the schools.

Commissioner Christenson stated he was not in favor of the state directing the districts to follow a bargaining process.

Commissioner Guedry suggested the state could work with the districts in setting state standards with the districts to set goals. The state could develop a budget for meeting those standards. Each district would then have a plan on how the monies will be paid out.

Superintendent Canavero stated that there currently is a law which requires the districts to have a performance pay plan. It is up to the districts to administer the law. It is a requirement for each district set aside a portion of their general fund to fund their enhanced performance pay plan.

Commissioner Christenson continued with the Guinn Center recommendations.

Commissioner Guedry asked how the recommendation would impact the rural counties regarding the challenges in recruitment of teachers and higher costs to the counties.

Dr. Brune, from the Guinn Center, responded that it was recommended to address the inequities between the districts by establishing minimum salaries for teachers.

## **V. WORK SESSION AND DISCUSSION OF THE WORK PLAN (CONTINUED)**

Commissioner McCarty felt that there should be a minimum salary as well as an additional pool of funds from which rural areas could augment salaries due to the added cost of rural living.

Commissioner Christenson asked for clarification of how the Nevada Plan was intended to work regarding DSA funding. Dr. Canavero then clarified and explained that DSA funds are affected by the impact of one district's salary on another.

Commissioner Christenson called for a vote. The recommendation did not pass.

### **RECOMMENDATION #2 REGARDING AN ASSESSMENT OF BENEFITS PROGRAMS FOR TEACHING PROFESSIONALS**

**"The SAGE Commission may want to request that the Nevada State Legislature conduct a statewide assessment of the State's health care benefit programs for teaching professionals. In addition, the SAGE Commission may want to request that the Nevada State Legislature conduct a statewide assessment of the State's additional (non-medical) benefit programs for teaching professionals."**

Commissioner Harney read a motion into the record and recommendation was opened for discussion.

Questions and comments for clarification of the recommendation were answered by Dr. Brune.

After the discussions it was voted to pass the recommendation.

Commissioner Christenson stated for clarification that the recommendation would be rewritten with changes as follows:

**"The SAGE Commission may want to request that the Nevada State Legislature conduct a statewide assessment of the State's health care benefit programs for teaching, administrative and support professionals. In addition, the SAGE Commission may want to request that the Nevada State Legislature conduct a statewide assessment of the State's Workers Compensation Program for teaching, administrative and support professionals."**

The commissioners all voted in favor of the revised version of the recommendation.

Commissioner Christenson moved on to the next recommendation

### **RECOMMENDATION #3 REGARDING THIRD PARTY EVALUATIONS**

**"The SAGE Commission may want to recommend that the Legislature (and/or the State Board of Education) require an external third party evaluation of new salary schedules (e.g., Clark County School District's Professional Growth System) on teacher retention, teacher quality, and student outcomes."**

The recommendation was opened for discussion

## **V. WORK SESSION AND DISCUSSION OF THE WORK PLAN (CONTINUED)**

Commissioner Poling -Goldene asked why this recommendation was needed?

Dr. Brune answered by suggesting that the commission may want to consider grouping this recommendation with the 2<sup>nd</sup> paper. She questioned that with all the different performance and compensation programs, is there any impact on the objectives or goals of improving quality, teacher retention, and student outcome? She further explained that while the recommendation specifically calls out one district, it was really written to ask the state to develop an overall guidance for measureable outcomes and to assess all of the different programs to see if they help in achieving the overall goals.

When asked about a timeframe for achieving this recommendation, Dr. Brune responded that there is not one currently but she felt that by the early part of 2017 could be a feasible date.

Other questions were asked regarding who should carry out the implementation of the project. Suggestions included using the state, the districts themselves, or possibly an outside consultant could be hired.

The commissioners asked Superintendent Canavero for his opinion.

Dr. Canavero said that a third party evaluation would be costly. He suggested the commission table the recommendation and continue with the remaining recommendations to see if any of them could be grouped together or related.

Commissioner Christenson agreed and tabled the recommendation. Then he moved on to the Items from Paper 3

### **ITEM 1**

#### **Require external third party evaluation on all Compensation Programs**

##### **Recommendation #1**

**“The SAGE Commission recommends that the Department of Education conduct an external evaluation of for all compensation programs including both performance based and incentive programs.”**

Commissioner McCarty made a motion to open discussions on the next recommendation.

Commissioner Guedry opened the discussion by asking Dr. Brune what will the study address regarding compensation programs. He also asked for more specific direction regarding the performance and incentive programs.

Dr. Brune said the purpose of the external evaluation of all compensation and incentive programs is to evaluate the impact of the compensation programs regarding things that will happen because the programs would be set up; namely improving teacher quality and retention, attracting new teachers in rural areas, attracting teachers in high need areas or hard to fill subjects, and improving student outcomes.

## **V. WORK SESSION AND DISCUSSION OF THE WORK PLAN (CONTINUED)**

Commissioner Guedry suggested that the wording be changed to read, "The SAGE Commission recommends that the Department of Education conduct an external evaluation of for all compensation programs related to both performance based and incentive programs".

He stated his opinion on how the incentive programs should be structured.

First, there should be a consistent performance based incentive program on a statewide level. Then, each county should have their own standard goals which the state, county, and district would deem as appropriate in order to receive the performance or incentive based pay. Finally, each district should have their own detailed plan on how incentives are distributed based on their criteria of the goals.

Dr. Brune interjected that commissioner Guedry's comments encompassed other recommendations not yet discussed. She cited the Nevada Educators Performance Framework (NEPF) as already being based on the student scores. She continued by saying the plan should require the NEPF to be linked to the compensation based programs and the incentive based programs.

Commissioner Guedry felt that the external evaluation should provide guidance to the legislature on what the recommendation should include. He said it should include two parts. First, distinguish what the state standards should be for all the districts in the state, and set a standard for all districts which will have to be met. Secondly, it should tie the attainment of those standards to the funding of dollars for each individual district.

Dr. Brune offered that the commissioners should consider combining recommendations 2 and 3 of Paper 3 to reflect that the SAGE commission might want to develop and recommend that the Department Of Education require all districts to develop, submit, and present an implementation plan and all performance based compensation and incentive programs.

Commissioner Christenson asked that if by combining the recommendations as Dr. Brune suggested, wouldn't recommendation #1 remain arguable.

Dr. Brune said that it would. She then explained that if priorities were refocused, the newer recommendation would be much more helpful to the districts to combine the programs in order to meet the state objectives. It would require the districts to think in a more systematic way.

Due to the opinion presented, Commissioner Christenson stated that recommendation #1 would be withdrawn in order to continue the discussion of all the recommendations on Paper 3. He moved on to the next item on the Paper.

## **ITEM 2**

**Develop statewide guidance on existing performance-based compensation and incentive programs**

**a. Establish standard outcome measures**

**b. Require that school districts regularly evaluate the impact of teaching incentive programs and new salary schedules on teacher retention, teacher quality, and student outcomes**

**c. Require that school districts link the Nevada Education Performance Framework (NEPF) to performance-based compensation and incentive programs.**

## **V. WORK SESSION AND DISCUSSION OF THE WORK PLAN (CONTINUED)**

### **First recommendation to Item 2**

**“The SAGE Commission may want to recommend that NDE create uniform, statewide measurable objectives for the evaluation of performance-based compensation and incentive programs.”**

The commissioners discussed several issues regarding the wording of Item 2.

Dena Durish, of the Department of Education, commented in order to help clarify NEPF for the commissioners to better understand it. She stated the state does not have that pool of funds for the recommendation. The districts are required to set aside funds for the program from their general funds. She offered that the state could require a plan that would include outcome measures and that the districts show teacher quality, teacher retention and student outcomes which could also be tied to the NEPF. She continued saying that the state should not be in the position of evaluating programs for which there is no money to award based on the outcome of those programs. She explained that each district must set aside a part of their general funds for not less than 5% for their teachers for incentives and there must be a plan for at least the 5%. However, what is given to the teacher cannot be less than 10 % of their base pay. There is no minimum amount set by the state.

After the explanation, Commissioner Guedry said that the commission should notify the legislature that the compensation program is not working and they should take a look at it. The legislature needs to develop a program that has standards which the state and districts would expect their employees to achieve. It should raise the bar and reward the employees for doing so. The districts could then develop a plan that has a way to recognize those employees who contributed the most to achieving those goals.

Commissioner McCarty thought that the commission needs to emphasize that the recommendations are being provided to help them fix the law.

After further discussion, questions, and remarks regarding the collective bargaining aspect of performance based compensation programs, the commissioners agreed to rewrite the recommendation.

Commissioner Christenson summarized all three of the recommendations and felt all three of them belonged in the final recommendation.

Commissioner Mc Carty rewrote a recommendation to include the three additions.

Commissioner Christenson felt one objective needs to include the NEPF and the funds could be addressed separately.

The commissioners decided to keep Dr. Brune’s original recommendation after further discussion.

Commissioner Guedry motioned for the acceptance of the original recommendation with Commissioner Harney seconding the motion. All agreed



## **V. WORK SESSION AND DISCUSSION OF THE WORK PLAN (CONTINUED)**

Commissioner Christenson then addressed the next recommendation.

### **Second recommendation to Item 2**

**“The SAGE Commission may want to recommend that the Legislature (and/or the State Board of Education) require school districts to evaluate the impact of the new salary schedules and further incentive programs on teacher retention, teacher quality, and student outcomes.”**

Commissioner McCarty asked that the legislature be removed from the recommendation because he felt that the Department of Education should do the evaluations since they will also be creating the measurable objectives.

Commissioner Christenson suggested that the recommendation refer back to the previous uniform statewide measurable objectives instead of teacher retention, teacher quality, and student outcomes.

Dena Durish, Superintendent Canavero, and the commissioners had discussions on how the current guidelines were established and who could enforce the authority of the guidelines. It was s that the State Board does not have the authority to enforce the approval of the plans.

Nicole Rourke of Clark County School District and Lindsay Anderson of Washoe County School District both stated that the districts have been able create a plan that seems to work for them. They asked that the wording be carefully considered when rewriting the recommendation so that the districts could work around what they have already created.

Commissioner McCarty suggested that the wording be changed to reflect that each district should have permission to write their own standards and that the Board of Education has to approve them.

Superintendent Canavero explained that currently NDE staff would review each plan and report to the board. He suggested an alternative could be to focus on the outcome and then give an annual report to the State Board regarding the district’s performance against their submitted plan. This would give the districts the opportunity to make their own choices but still leave the state with the ability to hold each district accountable.

Commissioner Poling-Goldene asked if the outcome would be based on teacher incentive, teacher retention, and teacher quality. She asked if Dr. Canavero would reword the language in the recommendation to reflect the Commission’s intention.

Commissioner Christenson said that ultimately the commission wants to have a way to monitor the performance based incentives and programs which are working, and also ensure the state gets a return on investment.

He felt that the commission would have to reconsider the previous recommendation on the table.

## **V. WORK SESSION AND DISCUSSION OF THE WORK PLAN (CONTINUED)**

### **Rewritten recommendation #1 concerning items suggested by Houston Independent School District's (HISD) May SAGE Commission Meeting on Controlling Costs and Increasing Productivity**

After a break for discussion and consultation, Commissioner Christenson revisited the previous rewritten recommendations. He asked Commissioner Guedry for his wording on the outsourcing recommendation which had been discussed earlier.

Commissioner Guedry presented his rewritten recommendation. He pointed out that excess money should be retained by the districts for use in instructional budgets.

After numerous wording discussions by the Commissioners, Manny Lamarre reread the recommendation as follows;

"The Sage Commission recommends the 2017 Nevada Legislature fund a consultant on behalf of school district (i.e. The Clark County School District (CCSD) and the Washoe County School District (WCSD). The objective of the consultant is to develop a plan that results in lower costs, improved service and increase accountability in the essential business service areas of Transportation, Facility Maintenance, Food Service, IT or any other area that may realize the objectives listed. The plan should include proposals from within the respective districts as well as plans from external experts to manage those areas. All savings realized would be retained by the respective districts for use in the instructional budgets."

The commissioners unanimously approved the rewritten recommendation.

### **Continuation of the Second recommendation to Item 2**

**"The SAGE Commission may want to recommend that the Legislature (and/or the State Board of Education) require school districts to evaluate the impact of the new salary schedules and further incentive programs on teacher retention, teacher quality, and student outcomes."**

Commissioner Christenson felt that the second recommendation from paper 3, regarding teacher compensation, was not something that the Commissioners should be considering. He asked the other commissioners for their opinions

Commissioner Guedry asked that Nicole Rourke comment on the discussion. Nicole Rourke, (CCSD) stated that a separate fund should be established for Pay for Performance. She also suggested that it be optional for the districts to participate based on the results previous testimony from Dr. Brune. She also felt that SB 511 has proven beneficial and asked the commission to encourage the legislature to fund the bill early in the year.

Dr. Brune pointed out that the basis of the recommendation was already addressed in Recommendation #4.

Commissioner Guedry motioned to approve of the following recommendation. Commissioner Poling-Goldene seconded.

## **V. WORK SESSION AND DISCUSSION OF THE WORK PLAN (CONTINUED)**

"The SAGE commission should encourage the 2017 Nevada legislature to reauthorize hiring incentives funded in the 2015 by SB 511 and SB 515 as early in the 2017 Legislative session as possible so that they may be as advertised during spring recruitment", was voted on and approved.

After that, Commissioner Christenson motioned to rescind the recommendation regarding the First recommendation of Item 2 on paper 3.

**"The SAGE Commission may want to recommend that NDE create uniform, statewide measurable objectives for the evaluation of performance-based compensation and incentive programs."**

It was seconded by Commissioner Noonan. All voted and approved to rescind the recommendation.

Commissioner Christenson asked Commissioner McCarty to read his version of the rewritten recommendation. Commissioner McCarty motioned to open discussions for the following rewritten recommendation. Commissioner Villalva seconded.

"The SAGE Commission recommends that the State Legislature require school districts to develop measurable objectives for, and report on, an evaluation of the impact of the new salary schedules, teacher retention, and teacher incentive programs against the measurable objectives. The report shall be posted to the district website and annually presented to the State Board of Education."

Commissioner Poling -Goldene asked if this was a necessary recommendation.

Commissioner Christenson stated that he understood that this was directed at the districts themselves and liked the idea of not taking a statewide approach. He found the recommendation appropriate.

The motion passed.

Commissioner Christenson stated The Guinn Center did excellent work regarding the recommendations regarding compensation and the Commission believes that the report was worthy of an evaluation by the districts and would like to see the recommendations considered. He went on and stated that with all the other efforts being made towards the remaining recommendations in the Guinn Center Report, he felt that this Commission was not the one that should be making decision regarding those remaining issues.

Commissioner Harney asked if the rural counties were fairly addressed during all the previous meetings.

Commissioner McCarty stated that he thought most of the issues were addressed on a statewide level and that in order to address just the rural areas would take many more meetings to accomplish. He stated that there would be more challenges on a few of the issues but that the balance was fair and the payoff to the state as a whole would be worth it.

Commissioner Christenson asked for closing statements regarding time schedules for the final report. Manny Lamarre outlined the draft schedule for the remaining meetings.

## **V. WORK SESSION AND DISCUSSION OF THE WORK PLAN (CONTINUED)**

### **CLOSING COMMENTS FROM THE COMMISSIONERS**

Commissioner Harney thanked Dr. Brune and asked if the Commission had covered everything. Dr. Brune stated that she felt the important issues were addressed.

Commissioner Noonan asked about a report that was requested from CCSD regarding the effects of the legislative reform that was previously passed during that last session.

Nicole Rourke, CCSD, gave a brief update on the Zoom, Victory, and Read by Three programs and said that more comprehensive information could be provided.

Commissioner Harney asked if there is currently any teacher incentive programs related to absenteeism.

Lindsay Anderson stated that WCSD required a 90% attendance in order to qualify for the additional incentive.

Ruben Marillo stated that there was an incentive and for teachers to take less days.

## **VI. PUBLIC COMMENT**

There was no public Comment

At 2:40 PM Commissioner Christenson adjourned the meeting.